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UNCLAS SECTION 01 OF 10 TOKYO 000337

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 2/13/09

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(Mainichi)

11) Former Prime Minister Koizumi creates huge political stir by criticizing PM Aso for anti-postal-privatization stance, hints cash-handout plan may not pass (Yomiuri)

12) Parallel debate on second supplementary budget and separate budget-related bills creating confusion in the government and ruling camp (Nikkei)

13) Meeting reporters, Prime Minister Aso blasts Ozawa for not showing up at important Diet deliberations; Ozawa had a previous commitment (Mainichi)

14) Democratic Party of Japan remains bogged down in rewriting last year's campaign pledges (manifesto) due to internal policy differences (Asahi)

15) Tabloid weekly series in which former rightist hit man claims to have had U.S. embassy contract to kill Asahi reporter is rebutted as rubbish by Asahi, etc. (Yomiuri)

There will be no Morning Highlights on February 16 - an American holiday.

Articles:

1) TOP HEADLINES

Asahi:

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China to build two nuclear-powered aircraft carriers

Mainichi, Yomiuri, and Sankei:

Former Prime Minister Koizumi derides Aso's postal privatization comments as laughable, objects to cash handout program

Nikkei:

IMF, other international lenders to extend 54 trillion yen in emergency loans to developing countries in 2009

Tokyo Shimbun:

Japan Post President Nishikawa to resign to take responsibility for Kanpo no Yu issue

Akahata:

Former Isuzu Fujisawa plant worker asks Kanagawa Labor Bureau to urge car maker to hire him as permanent employee

2) EDITORIALS

Asahi:

- (1) Meeting between Kim Hyon Hui and Taguchi family called for
- (2) Okinawa dud explosion and government's responsibility

Mainichi:

- (1) U.S. stimulus package not enough
- (2) Kanpo no Yu inns must be sold individually

Yomiuri:

- (1) Space debris measures must be strengthened
- (2) Israel election: Will rightist bloc's leap block peace?

Nikkei:

- (1) Emission targets test a country's ideals and will
- (2) Significance of Ozawa-Clinton meeting

Sankei:

- (1) Meeting between Kim Hyon Hui and Taguchi family: Japan, South Korea must work together on abduction issue
- (2) Israel election: Torch of peace must not be extinguished

Tokyo Shimbun:

- (1) Satellite collision: Space is not dumping ground
- (2) Rise of right wing in Israel raises concern

Akahata:

(1) Deep suspicions about Kanpo no Yado inns

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, February 12

NIKKEI (Page 2) (Full)
February 13, 2009

07:32

Took a walk around his official residence.

10:01

Met at Kantei with Special Ambassador to Vietnam Ryotaro Sugi,

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joined by Chief Cabinet Secretary Kawamura and LDP Deputy Secretary General Hayashi.

12:08

Met with BOJ Gov. Shirakawa and Vice Governors Yamaguchi and Nishimura, attended by Finance Minister Nakagawa, Economic and Fiscal Policy Minister Yosano and Kawamura.

13:03

Attended Lower House plenary session.

16:29

Returned to Kantei.

17:13

Attended Lower House plenary session.

18:03

Met at Kantei East Timor's National Parliament President Araujo. Attended informal meeting on global warming issues.

19:42

Dined with LDP Election Strategy Council Chairman Koga, former MITI Minister Hiranuma, former Foreign Minister Komura and former Defense Minister Kyuma.

21:14

Met with LDP General Council Chairman Sasagawa and prime minister's special advisor Shimamura at the bar Golden Lion in the Imperial Hotel.

22:29

Returned to his official residence.

4) Ozawa unlikely to meet with visiting U.S. Secretary of State

SANKEI (Page 5) (Full)
February 13, 2009

A Democratic Party of Japan (DPJ) source revealed yesterday, that President Ichiro Ozawa is unlikely to meet with U.S. Secretary of State Hillary Clinton during her visit to Japan starting on Feb. 16. The same party source said, "It is because he has another commitment on his schedule." The U.S. government had sounded out the party about a meeting while the Secretary was in Japan.

5) U.S. delegation visiting Pyongyang carried letter from Secretary Clinton to North Korea seeking direct dialogue

SANKEI (Page 1) (Excerpt)
February 13, 2009

It was learned on Feb. 12 that former Ambassador to South Korea Bosworth, who led a private-sector delegation to North Korea, staying in Pyongyang until the 7th of this month, handed over to the North Koreans a letter from U.S. Secretary of State Clinton seeking

progress on the non-proliferation front. A source connected with the Six-Party Talks revealed this news. Reportedly, the North Korean side responded by saying, "We seek a direct dialogue between the U.S. and North Korea."

6) China to build 2 nuclear flattops

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ASAHI (Top play) (Abridged)
February 13, 2009

Kenji Minemura, Beijing

The Chinese military is planning to build two nuclear-powered aircraft carriers in 2020 or later as China's first nuclear flattops, military officials have revealed. China has already announced plans to build two conventional aircraft carriers from this year. However, a nuclear-powered carrier can move around for a long period of time without being refueled. The plan therefore can be noted as a full-blown ocean-going move.

According to Chinese military sources, the Chinese military held an internal review meeting in Beijing on Dec. 30, 2008, where a military brass officer explained that China's naval forces would start on a full scale in 2009 to build aircraft carriers. The military officer revealed that China had already started manufacturing parts for electric control systems and that the Chinese navy would complete two conventional aircraft carriers around 2015. The two carriers will go operational by 2020, and the Chinese navy will go beyond the first line of defense connecting Okinawa, Taiwan, and the Philippines to break away from coastal defense.

In addition, the Chinese navy is also going to build two nuclear-powered aircraft carriers-both of which are 60,000-ton mid-sized flattops. China is said to have already secured a blueprint of the Ulyanovsk, a nuclear-powered aircraft carrier that the Soviet Union gave up building. China is believed to use it for its navy to develop its own nuclear flattops.

The Chinese military's future goal is to secure naval supremacy in the western Pacific waters inside the second line of defense from the Japanese archipelago to Guam Island and Indonesia. After that, the Chinese military will vie with the U.S. naval forces in the Indian Ocean and in the entire Pacific region. A Chinese military official said: "The two conventional aircraft carriers we're going to build from this year are just preparatory steps. It will cost a great deal of money to build and operate a nuclear-powered aircraft carrier. But given the pace of our country's economic growth, that won't be a big obstacle, and we may build more."

7) China expected to rise in regional power balance

ASAHI (Page 1) (Full)
February 13, 2009

Yoichi Kato, Washington

The Center for Strategic and International Studies (CSIS), a U.S.-based influential think tank, conducted a joint questionnaire survey of opinion leaders in nine countries in cooperation with the Asahi Shimbun and other news organizations to depict what Asia will look like 10 years into the future. The survey revealed that the power balance in the region will tilt toward China, but it also showed wide support for the concept of an East Asia community.

The survey was conducted from the fall through the end of last year in nine countries: Japan, the United States, China, South Korea, Australia, India, Indonesia, Singapore, and Thailand. Answers were

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obtained from 313 foreign-affairs experts.

In the survey, respondents were asked which country they thought would be the "mightiest power" in the region after 10 years. China was ranked first by 65 PERCENT of respondents. China also was ranked at the top by 59 PERCENT of the experts as the most important country for their respective countries. Meanwhile, China was also seen as the biggest threat by 38 PERCENT. As seen from these figures, the survey showed feelings mixed, with some giving positive ratings and others expressing misgivings.

When asked about the United States, many of the respondents presumed it would continue to play a major role in maintaining regional order.

At the same time, 81 PERCENT of the respondents supported the East Asia Community initiative to create a multilateral framework in the region. The figure shows that there is already a general concurrence.

When it comes to specific roles, however, respondents were highly interested in comparatively moderate engagement and cooperation to "promote trust and mutual understanding." In handling actual issues, they have greater trust in global, international organizations.

The United States voiced its concern when the East Asia Summit started in 2005 without it. However, the survey found that there was no strong atmosphere to exclude the United States. East Asian countries have yet to concur on how far to include the United States, Australia, India, Russia, and other countries outside the region.

8) Japan, UN cooperate on Burma's democratization process

NIKKEI (Page 2) (Full)
February 13, 2009

Foreign Minister Hirofumi Nakasone met yesterday with Ibrahim Gambari, special advisor of UN Secretary General Ban Ki Moon. Nakasone and Gambari confirmed that Japan and the United Nations would cooperate to urge the Burmese (Myanmar) military government to promote the democratization process. The two also shared the view that it was important for Burma to conduct a general election in 2010 based on its new constitution so that the understanding of the international community can be attained.

9) Chief cabinet secretary expresses concern over Buy American clause

MAINICHI (Page 9) (Full)
February 13, 2009

A Buy American clause obligating the procurement of U.S.-made goods for public works was left intact in the U.S. stimulus bill. Referring to this, Chief Cabinet Secretary Takeo Kawamura during a press conference on February 12 noted, "At present stage, I cannot but have doubts that there might be protectionism at the base of that bill."

10) METI team to monitor protectionist moves

MAINICHI (Page 1) (Full)
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February 13, 2009

The Minister of Economy, Trade and Industry (METI) on February 12 launched an in-house experts team for monitoring protectionist moves throughout the world. Concern about the rise of protectionism intended to protect domestic industry amid the worsening economic crisis is mounting. The monitoring team will collect information as well as to send reports to the World Trade Organization (WTO), as the need arises.

Regarding protectionist moves, Russia, for instance, has raised tariffs on imported autos. The U.S. has also incorporated a Buy American clause in its stimulus bill. Some countries, including Japan, are indicating concern, noting that such a clause will

accelerate protectionism.

The experts team, led by the Multilateral Trade System Department, consists of officials in charge at various bureaus. It will collect information through the Japan External Trade Organization (JETRO) and overseas branches of Japanese companies.

11) Koizumi takes clear anti-Aso stance, describing his postal privatization statements as laughable and raising objection to re-adoption of extra budget-related bills; Dark clouds may gather over cash handout plan

YOMIURI (Top play) (Full)
February 13, 2009

Former Prime Minister Junichiro Koizumi attended an executive meeting to promote postal privatization, held at Liberal Democratic Party (LDP) headquarters last evening. There, he harshly criticized Prime Minister Taro Aso for his series of (negative) comments on postal privatization and took a cautious stance about the House of Representatives readopting a set of bills connected with the fiscal 2008 second supplementary budget that includes the prime minister's cash-handout plan. Now that Koizumi, who still has strong influence over the party, has made clear his opposition, Prime Minister Aso is likely to find it even more difficult to steer his administration.

Before the Lower House Budget Committee on Feb. 5, Prime Minister Aso said: "I did not support the privatization of postal services." Taking up this comment, Koizumi in yesterday's meeting slammed Aso, saying: "I feel more like laughing than getting angry. I am just surprised." Koizumi also revealed that he had given Aso this advice when he talked to him on the phone on Feb. 10: "When junior members express critical views about the prime minister's policy, you say, 'Don't shoot from the back.' But you are shooting people who are going to fight in the (next) Lower House election from the front. I told him to be careful when making comments."

Koizumi also raised an objection to the government and ruling bloc's plan to readopt a set of bills connected with the fiscal 2008 second supplementary budget including the cash handout program, saying: "I don't think they are important enough to use a two-third (Lower House) override vote to pass. I would like to see an appropriate conclusion reached by coordinating views in the House of Councillors as well."

If 16 ruling party members defy the re-adoption plan, the ruling coalition would not be able to use its two-third override vote. Discontent with the cash handout plan is simmering in the LDP. There

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is a possibility that more than 16 LDP lawmakers will oppose the cash benefit plan in reaction to Koizumi's view.

Koizumi also noted: "A public mandate must be sought by September. Trust is most important for politics. Without trust in the prime minister's statements, an election cannot be fought."

12) Ruling, opposition camps in turmoil due to simultaneous deliberations on bills related to second extra budget and budget-related bills

NIKKEI (Page 2) (Full)
February 13, 2009

The ruling and opposition parties are now wavering back and forth in handling bills related to the second supplementary budget for fiscal 2008 and bills related to a fiscal 2009 budget. The House of Representatives and House of Councillors are now simultaneously deliberating on the extra budget and the budget-related bills. This case is quite unusual. The ruling coalition is having a hard time arranging the schedule of Finance Minister Shoichi Nakagawa, who is in charge of all budget bills.

Meanwhile, the main opposition Democratic Party of Japan (DPJ) exposed its lack of ability to coordinate views between its Upper and Lower Houses members and between it and other opposition

parties. As it stands, it is uncertain whether the ruling and opposition blocs will be able to coordinate views.

The Lower House launched yesterday deliberations in a plenary session in which the government explained the purposes of bills related to tax reform for fiscal 2009 and a question-and-answer session was held. As the DPJ, which had opposed the opening of the plenary session, posed questions again and again, claiming that cabinet ministers' replies were insufficient, the session ended more than 30 minutes later than originally scheduled. The Upper House Financial Affairs Committee, which is deliberating special bills to secure fiscal resources for the cash-handout program included in the second extra budget bill, put off deliberations slated for yesterday afternoon as there was no hope that Nakagawa would be able to make the session.

The finance minister's participation in deliberations on the two separate budgets is absolutely necessary. Therefore, fighting over Nakagawa has begun between the Lower House, which is controlled by the ruling coalition, and Upper House, which is dominated by the opposition parties.

The ruling camp wants Nakagawa to prioritize attending Lower House Financial Finance Committee sessions in order to push ahead with deliberations on the tax system reform bills so that the bills will clear the Lower House swiftly. However, the opposition bloc has called for putting deliberations on the bills related to the second extra budget in the Upper House ahead of deliberations in the Lower House. Therefore, negotiations between the two camps are deadlocked.

In an informal meeting on Feb. 10 of the Upper House Financial Affairs Committee directors, the DPJ once approved the attendance of the senior finance minister or parliamentary secretary as Nakagawa's proxy, but the largest opposition party soon took back its approval meeting strong reaction from other opposition parties.

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The ruling coalition is expected to start on Feb. 16 deliberations on the tax system reform bills at the Lower House Finance Committee. The opposition camp has put off a vote on the bills related to the second supplementary budget next week or later. Given that situation, difficult coordination is underway for simultaneous deliberations on the related bills.

13) Prime Minister Aso angry about DPJ

MAINICHI (Page 5) (Full)
February 13, 2009

When asked by reporters about the reason for his walking out during the Lower House plenary session yesterday, Prime Minister Taro Aso said: "Ichiro Ozawa (president of the Democratic Party of Japan) did not even attend the session. Why don't you write that?"

After completing his replies to questions, Aso left the Lower House plenary hall. He appears to have bristled at interruptions of the question-and-answer session. He then told the press corps: "Do you know why the session was often discontinued? I really don't understand at all." He added: "It is unfair (that the media do not see Ozawa's absence as a problem). He, too, aims to become prime minister."

Ozawa yesterday taped a radio program at the party's headquarters and visited offices of DPJ candidates who are expected to run for the next Lower House election in Tokyo.

14) DPJ's effort to revise its campaign pledges at standstill

ASAHI (Page 4) (Excerpts)
February 13, 2009

The Democratic Party of Japan's (DPJ) effort to take a second look at its political manifesto (campaign pledges) for the upcoming Lower House election has come to a standstill. That is because though the

party drafted a provisional manifesto, assuming a general election last fall, it is now facing three new challenges: the worsening economy, the fiscal resources issue, and the need to write a new policy platform. As a change in government takes on an air of reality, an increasing number of party members are voicing their anxieties.

Changing economy, problem in garnering fiscal resources challenging DPJ in drafting platform

"The DPJ will find itself in a tough situation after it seizes power. Expectations of the DPJ are running high, because the Liberal Democratic Party (LDP) is so bad. However, things will not become rosy, even if the DPJ takes over government." So saying, one veteran senior DPJ member revealed his complex feelings at a time when the party is beginning to take a commanding lead in various opinion polls.

The major pending issue is the economy, which is increasingly becoming serious. President Ozawa during a TV talk show on February 10 said, "If the DPJ takes the reins of government at the earliest possible time this year, it must make sure that it turns the economy around by the end of next year." The DPJ in January put up an environment New Deal program and a New Deal program for peace of

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mind and safety as measures to create jobs locally. The pillars of those programs are subsidies for installing solar heat panels and making all elementary and middle schools and hospitals earthquake-resistant.

The Green Growth Strategy Research Council joined by ministers of the party's "Next Cabinet" aims at finalizing those programs before the end of March. However, specifics have yet to be set. Assistance for the agriculture, forestry, and fisheries industry, science and technology will also likely be included. In addition, the party has already pledged to make highways toll-free and set up a child-care allowance. If all those proposals are incorporated into the New Deal programs, their feasibility might be brought into question. The same official said, "We must constrain budgetary funds for expenditures so as not to bring in pork barrel largesse."

The situation surrounding fiscal resources has also changed. According to the fiscal resources roadmap compiled last fall, the DPJ intended to implement its policies right from the initial fiscal 2009 budget. However, the precondition for this plan has collapsed. Referring to the submission of a supplementary budget after seizing power, Ozawa noted, "The amount of money earmarked now will suffice. We will add budgets to our policies in order of priority."

However, the present administration has begun spending so-called hidden funds (maizokin) set aside in such accounts as the special account, on which the DPJ is relying to implement its own policies. According to the DPJ's roadmap, 56.9 trillion yen is to be secured in four years. Of that amount, 6.5 trillion yen is to be drawn annually from maizokin. Regarding the sales tax, the DPJ's plan is not raise the rate, while maintaining a goal of bringing the primary balance into the black. According to this plan, substantive revenue falls will be unavoidable. As such, the feasibility of this policy will also be brought into question.

15) Notes written by "perpetrator" of 1987 murder of Asahi reporter carried serially in Shukan Shincho creating uproar

YOMIURI (Page 34) (Excerpts)
February 13, 2009

In a series of articles that started in its Feb. 5 edition, the popular weekly Shukan Shincho has featured the notebook of a man who claims to have murdered in 1987 an Asahi Shimbun reporter. The series has created an uproar with the Asahi Shimbun unprecedentedly having twice rebutted the weekly's reports. The sudden "confession" of the individual more than five years after the statute of limitations on this case had expired has perplexed the bereaved family of the reporter.

The weekly magazine has been running the notes of (rightist hit man) Masanori Shimamura under the title, "I attacked the Hanshin Branch of the Asahi Shimbun."

Shimamura says in his narrative that he had committed four crimes, including attacks on Asahi Shimbun offices in January and May 1987, and that the person who asked him to attack the offices was an employee of the U.S. Embassy in Tokyo. He says that his aim was to receive huge amounts of money.

The public relations department of the Asahi Shimbun's Osaka Headquarters issued a comment saying: "After the serial ends, we

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will carry an article looking into the contents of the notes in detail. If we find descriptions that bring disgrace on the victim or our employees, we will take strict measures." On the U.S. Embassy side, Spokesperson David Marks said: "This article is too ridiculous to make a serious comment."

Shimamura was arrested in a fraud case in October 2004 and was given an unsuspended prison sentence. Although police authorities had seen Shimamura as a person with gangster associations at that time, there is no record of identifying him as a rightist. This is contradictory to what Shimamura wrote in the note, "I belonged to a rightist group around 1985."

Nobukatsu Kojiri, the father of Tomohiro Kojiri, who was murdered in the 1987 case, commented: "I read the article, but I think that it is not true. It is very annoying and has confused me."

Rikkyo University Professor Hattori pointed out: "If an account is reported as a confession of the actual criminal, what the criminal said must be examined in detail before it is publicized. Seeing the prompt reactions by the Asahi Shimbun, I have an impression that such an effort was not satisfactorily carried out."

ZUMWALT